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 Marketing Quota Regulations
 Flue-cured Tobacco - 1940-41 Marketing Year

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

Marketing Quota Section

Marketing Quota Regulations
Flue-cured Tobacco - 1940-41 Marketing Year

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GENERAL

Sec. 1 Definitions. As used in these regulations and in all instructions, forms and documents in connection therewith, the words and phrases defined in this section shall have the meanings herein assigned to them unless the context or subject matter otherwise requires.

a. Act means the Agricultural Adjustment Act of 1938 and any amendments thereto.

b. County office means the office of the County Agricultural Conservation Association, or the county or local committees or employees of such association, according to the sense in which such term is used.

c. Dealer means a person who engages, to any extent, in the business of acquiring tobacco from producers.

d. Field assistant means a field assistant, junior field officer, or a field officer of the Marketing Quota Section, according to the sense in which such term is used.

e. Floor sweepings means that tobacco which in the course of the warehouse sale is dropped on the warehouse floor and is picked up by the warehouse. Any tobacco accumulated in the course of the grading of tobacco for farms shall not be included as floor sweepings.

f. Market means the first bona fide disposition of tobacco by sale, barter or exchange. "Marketing" and "marketed" shall have corresponding meanings to the term "market".

g. Marketing Quota Section means the Marketing Quota Section, East Central Division, Agricultural Adjustment Administration, United States Department of Agriculture, Washington, D. C.

h. Nonwarehouse sale means a marketing other than at a warehouse sale.

i. Operator means the person who is in charge of the supervision and the conduct of the farming operations on the entire farm.

j. Person means an individual, partnership, firm, joint-stock company, corporation, association, trust, estate, or any agency of a State or of the Federal Government. The term "person" shall include two or more persons having a joint or common interest.

k. Pound means that amount of tobacco which, if weighed in its unstemmed form and in the condition in which it is usually marketed by a producer, would equal one pound standard weight.

l. Producer means a person who, as owner, landlord, tenant, sharecropper, or laborer is entitled to share in the tobacco available for marketing from the farm, or in the proceeds of the marketing, under the provisions of his agreement relating to the production of tobacco.

m. Resale means the disposition by sale, barter, or exchange of tobacco which has been marketed previously.

n. Sale day means the period covered by any warehouse sale at the end of which the warehouseman bills to buyers the tobacco so purchased during such warehouse sale.

o. Suspended sale means any marketing of tobacco at a warehouse sale for which a memorandum of sale is not issued by the end of the particular date day on which such marketing occurred.

p. Tobacco means flue-cured tobacco classified in Service and Regulatory Announcement No. 118 of the Bureau of Agricultural Economics of the United States Department of Agriculture as types 11, 12, 13 and 14, and collectively known as flue-cured tobacco.

q. Tobacco available for marketing means all tobacco produced on a farm in the calendar year 1940 (and any tobacco produced on the farm prior to the calendar year 1940 and carried over to the 1940-41 marketing year) which is not disposed of through use on the farm or storage prior to the issuance of a marketing card for the farm.

r. Warehouseman means a person engaged in the business of holding sales of tobacco at public auction at a warehouse during the tobacco marketing season.

s. Warehouse sale means a marketing by sale at auction through a warehouse in the regular course of business.

Sec. 2. Instructions and Forms. The Administrator of the Agricultural Adjustment Administration shall cause to be prepared and issued such instructions and such forms as may be deemed necessary or expedient for carrying out these regulations.

Sec. 3. Tobacco subject to marketing quotas. Any tobacco marketed during the period July 1, 1940 to June 30, 1941, inclusive, and any tobacco produced in the calendar year 1940 and marketed prior to July 1, 1940, shall be subject to the marketing quotas for the 1940-41 marketing year.

FARM MARKETING QUOTAS 1/

Sec. 4. Amount of Farm marketing quota. The marketing quota for a farm (hereinafter referred to as the "quota") shall be the actual pro-

1/ Instructions for determining marketing quotas and issuing marketing cards and with respect to the rights of producers in the quota for farms having tobacco which was produced thereon in a calendar year prior to 1940 and carried over to the 1940-41 marketing year will be issued in Supplement 1 to these regulations.

duction of tobacco on the farm acreage allotment, as established for such farm in accordance with the "Procedure for Determination of Flue-cured Tobacco Acreage Allotments for 1940" (Form 40-Tob-8 and Supplements 1 and 2). The actual production of the farm acreage allotment shall be the average yield per acre of the entire acreage of tobacco harvested on the farm in 1940 times the farm acreage allotment. The excess tobacco on any farm shall be that quantity of tobacco which is equal to the average yield per acre of the entire acreage of tobacco harvested on the farm in 1940 times the number of acres harvested in excess of the farm acreage allotment.

Sec. 5. Issuance of marketing card. A marketing card shall be issued for every farm having tobacco available for marketing. Such card shall be issued after information required for its preparation (including measurements of the harvested acreage of tobacco and an estimate of the actual production of tobacco) has been furnished to or obtained by the county office. If the farm operator refuses to furnish or to allow the county office to obtain such information, the card shall show that all of the tobacco available for marketing from the farm is subject to penalty.

a. Within Quota Card (Form 40-Tob-28). A "Within Quota Marketing Card" authorizing the marketing without penalty of the actual production of tobacco on the farm acreage allotment in 1940 shall be issued for a farm (other than a farm having tobacco carried over from a crop produced prior to 1940) under the following conditions:

1. If the harvested acreage of tobacco in 1940 is not in excess of the farm acreage allotment and the operator of such farm does not operate any other farm on which the harvested acreage exceeds the acreage allotment.
2. If a quantity of tobacco equal to the estimated production of the acreage harvested in excess of the allotment for the farm, and all other farms operated by the same person, is disposed of prior to the issuance of the marketing card.
3. If the farm is operated by a publicly owned experiment station and the tobacco is produced for experimental purposes only.

b. Excess Card (Form 40-Tob-29). An "Excess Marketing Card" showing the extent to which marketings of tobacco from the farm are subject to penalty shall be issued for a farm under the following conditions.

1. If the harvested acreage of tobacco in 1940 is in excess of the farm acreage allotment or the

operator of the farm also operates any other farm on which the harvested acreage of tobacco in 1940 exceeds the farm acreage allotment, and the excess tobacco on any of such farms is not disposed of before the marketing card is issued.

2. If there is tobacco available for marketing from the farm but no tobacco acreage allotment was established.

3. If information required for preparation of the marketing card is not furnished.

c. Number of marketing cards and entries and signatures thereon. One or more marketing cards may be issued for any farm as requested by the farm operator and approved by the county office. All entries on each marketing card shall be made in accordance with instructions for issuing marketing cards. The "Operator's Agreement" on each marketing card shall be properly executed by the farm operator and the person who delivers the card to the operator.

Sec. 6. Farm Operator's report. The operator of each farm on which the harvested acreage exceeds the acreage allotment for such farm shall submit a report on Form 40-Tob-33 as follows:

1. If the excess tobacco is disposed of prior to the issuance of a Within Quota Marketing Card for the farm, such report shall be made before any tobacco is marketed from the farm and shall show the estimated production, the estimated amount of excess tobacco and the method of disposition thereof.
2. If the excess tobacco is not disposed of prior to the issuance of the marketing card such report shall be made when the marketings of tobacco for the 1940-41 marketing year have been completed for the farm. Such report shall show the actual production of tobacco on the farm and the amount and disposition of any excess tobacco which will not be marketed from the farm during the 1940-41 marketing year.

In the event any tobacco is disposed of by use on the farm the county committee, prior to approval of the farm operator's report of the disposition of such tobacco, shall determine that the condition of the tobacco is such that it can be used only on the farm and that such tobacco is reasonably representative of the tobacco available for marketing from the farm and does not contain an undue proportion of scrap.

or other low-grade tobacco. In the event disposition of the tobacco is by storage the county committee shall determine the exact amount of tobacco placed in storage and the place of storage prior to approval of the operator's report of disposition of the tobacco.

No application for return of penalty on Form 40-Tob-41 shall be approved until after the report on Form 40-Tob-33 has been filed with and approved by the county office.

Sec. 7. Rights of producers in marketing card. Each producer having a share in the tobacco available for marketing from the farm shall be entitled to the use of the marketing card for marketing that proportion of his share of such tobacco which the marketing quota for the farm is of the total amount of tobacco available for marketing from the farm and also to market any additional amount of his tobacco which can be marketed for a net price of more than ten cents per pound.

Sec. 8. Successors in interest. Any person who succeeds in whole or in part to the share of a producer in the tobacco available for marketing from the farm shall, to the extent of such succession, have the same rights as the producer to the use of marketing card for the farm.

Sec. 9. Person authorized to issue cards. The county office shall designate one person to sign marketing cards for farms in the county as issuing agent. No marketing card shall be signed by the issuing agent until all other entries required to be made thereon have been made by the county office, except that the operator's receipt therefor and the Operator's Agreement therein may be signed after the issuing agent has signed the card, but prior to its delivery to the farm operator. Only one person shall be designated as issuing agent but such person may, subject to the approval of the county committee, designate not more than three persons to sign his name in issuing marketing cards; provided that each such person shall place his initials immediately beneath the name of the issuing agent as written by him on the card.

Sec. 10. Invalid cards. A marketing card shall be invalid under any of the following conditions:

1. If it is not issued or delivered in the form and manner prescribed;
2. If entries are not made as required thereon; or
3. If it is lost, destroyed, stolen, or becomes illegible.

In the event any marketing card becomes invalid (other than by loss, destruction, or theft, or omission or incorrect entry which can be corrected by a field assistant) the farm operator (or the person having the card in his possession) shall return it to the county office at which it was issued.

If any marketing card is lost, destroyed, or stolen, the person having knowledge of such loss, destruction, or theft shall notify the county office to that effect, and the county office shall immediately notify the Marketing Quota Section.

At the end of two weeks after receipt of notice of the loss, destruction, or theft of any marketing card the county office may issue a duplicate marketing card to replace the lost, destroyed, or stolen card in accordance with instructions issued pursuant to these regulations.

If any marketing card which was reported as lost, destroyed, or stolen is later received by the county office, the county office shall immediately notify the Marketing Quota Section of the receipt of such card.

In the event any marketing card was improperly issued or became illegible and the county office can determine upon the return of such card that a new marketing card may be issued promptly, then a new marketing card may be issued immediately.

If any entry is not made on a marketing card as required thereon (either through omission or incorrect entry) and a correction of such entry is made by a field assistant then such card shall become valid. If the field assistant is unable to make such correction, the field assistant shall return the card to the county office where it shall be retained until such correction is made, or a new marketing card is issued, as provided above.

Sec. 11 Additional cards and disposition of used cards. When all the memoranda of sale contained in a marketing card have been used or the marketings from the farm have been completed, the marketing card shall be returned to the county office. If the marketing of tobacco from the farm has not been completed, a new marketing card of the same kind, bearing the same name, information, and identification as the used card shall be issued for the farm. Any marketing card issued to replace another card shall have entered thereon in accordance with instructions the total sales as shown on the marketing card which is replaced.

Sec. 12 Report of possible misuse of marketing card. If a field assistant, a member of the local committee, or an employee of the county office has information which causes him to believe that any tobacco has been or is being marketed under the marketing card for a particular farm, which actually was produced on a different farm, then such person shall report such information immediately to the Marketing Quota Section.

Sec. 13 No transfers. There shall be no transfer of marketing quotas.

MARKETING OF TOBACCO AND PENALTIES

Sec. 14 Memorandum of sale to identify every marketing. Each marketing of tobacco from a farm shall be identified by a memorandum of sale issued from the marketing card (Form 40-Tob-28 or 40-Tob-29) for the farm but if a memorandum of sale cannot be obtained within four weeks after the date of the marketing of any tobacco at a warehouse sale such marketing of tobacco shall be subject to penalty and the amount of penalty shall be shown on the memorandum of suspended sale. A memorandum of sale shall be issued only by field assistants, with the following exceptions:

1. A warehouseman may issue a within quota memorandum of sale to identify a warehouse sale if a field assistant is not available at the warehouse when the card is presented by the farmer, but in such case the memorandum of sale shall be presented promptly to the field assistant for verification with the warehouse records and shall be initialed by him if found to be valid. The authorization to issue within quota memoranda of sale under this paragraph shall be withdrawn for any warehouseman upon written notice by the Chief of the Marketing Quota Section.
2. A dealer (or warehouseman) who purchases tobacco from the farmer at any place other than a warehouse sale may issue a within quota memorandum of sale provided that such memorandum is supported by a Bill of Nonwarehouse Sale on Form 40-Tob-43 which shall be obtained as hereinafter provided in this section.
3. The county office shall issue a memorandum of sale in any case where the certification on a Bill of Nonwarehouse Sale (Form 40-Tob-43) is executed by the county office as provided below for a dealer (or warehouseman) prior to the issuance of the marketing card for the farm on which the tobacco covered by the Bill of Nonwarehouse Sale was produced. In such case the memorandum of sale will be issued by the county office on the basis of its copy of the Bill of Nonwarehouse Sale prior to the delivery of the marketing card to the farm operator.

Each marketing of tobacco at any place other than a warehouse sale shall be identified by a Bill of Nonwarehouse Sale on Form 40-Tob-43. The dealer (or warehouseman) may present the Bill of Nonwarehouse Sale (Form 40-Tob-43) to the county office which, if the marketing card for the farm has not been issued, shall execute the certificate provided on the Bill of Nonwarehouse Sale to show whether the farm is entitled to receive a within quota marketing card or an excess marketing card. If the farm is to receive an excess card the county office also will enter the percent which the acreage of tobacco harvested in excess of the acre-

age allotment for the farm is of the total harvested acreage of tobacco.

If any person issuing a memorandum of sale as authorized above, has reason to believe that the tobacco to be covered by the memorandum was not produced on the farm for which the marketing card containing the memorandum was issued, such person shall require the farm operator to sign the statement on the back of the memorandum and if he is satisfied that such signature is the same as the signature of the farm operator on the marketing card he may issue the memorandum, but he shall make a written report to the Marketing Quota Section, within one week after the memorandum is issued, of the circumstances in the case.

Sec. 15. Marketings free of penalty. Any marketing of tobacco shall be free of penalty to the extent that such tobacco is so identified by a valid memorandum of sale issued to cover such marketing.

Sec. 16 Collection of penalties and marketings subject to penalty.

- a. Farm tobacco. With respect to farms having excess tobacco available for marketing (and for which excess marketing cards are issued) the penalty shall be collected upon that proportion of each lot of tobacco marketed from the farm which the tobacco available for marketing from the farm in excess of the farm quota is of the total amount of tobacco available for marketing from the farm. The memorandum of sale issued to identify each marketing of tobacco shall show that portion of such marketing which is subject to penalty, and any portion of such marketing of tobacco which is not shown by such memorandum as being subject to penalty shall be free of penalty.
- b. Dealer's Tobacco. Any sale of tobacco by a dealer which such dealer represents to be a resale but all or any part of which, when added to prior resales by such dealer as shown on the Dealer's Record, is in excess of the total amount of purchases as shown on such Dealer's Record shall be deemed to be a marketing of tobacco subject to penalty. Any sale of tobacco by a dealer which such dealer represents to be a resale of tobacco previously purchased by him but which, because of the difference in the price at which such tobacco is resold as compared with the price at which such dealer had purchased the tobacco, cannot reasonably be construed to be tobacco previously purchased by such dealer shall be deemed to be a marketing of tobacco subject to penalty.
- c. Tobacco not identified by memorandum. Any marketing of tobacco not identified by a valid memorandum of sale shall be subject to penalty.

- d. Liability in case of error on memorandum. The person liable for the payment of the penalty upon any marketing of tobacco shall not be relieved of such liability because of any error which may occur on the memorandum of sale.

Sec. 17 Persons to pay penalty and deduction from purchase price.

- a. Warehouse sale. If the tobacco is marketed by the producer through a warehouseman the penalty shall be paid by the warehouseman who may deduct an amount equivalent to the penalty from the price paid to the producer.
- b. Sale other than warehouse sale. If the tobacco is acquired from the producer in any manner other than through a warehouse sale, the penalty shall be paid by the person who acquired the tobacco, but such person may deduct an amount equivalent to the penalty from the price paid to the producer.
- c. Agent. If the tobacco is marketed by the producer through an agent other than a warehouseman, the penalty shall be paid by the agent who may deduct an amount equivalent to the penalty from the price paid to the producer.
- d. Agent in case of false representation. If any person sells tobacco representing that such tobacco is being marketed from one farm when in fact such tobacco is being marketed from another farm, then such person, as agent, shall pay any penalty due upon such marketing of tobacco.
- e. Warehouseman and dealer on dealer's tobacco. Any penalty due upon tobacco subject to penalty under paragraph (b) of Sec. 16 shall be paid by the warehouseman who may deduct an amount equivalent to the penalty from the price paid to the dealer, but the dealer shall not be relieved of responsibility for payment of such penalty in the event payment is not made by the warehouseman.
- f. Producer marketing outside United States. If the tobacco is marketed by the producer directly to any person outside the United States the penalty shall be paid by the producer.

Sec. 18 Amount of Penalty. The penalty upon any marketing of tobacco subject to penalty (or upon that portion of any marketing of tobacco which is identified as being subject to penalty) shall be ten cents per pound.

Sec. 19 Penalty for false identification or failure to account for disposition of tobacco. If any producer falsely identifies or fails to account for the disposition of any tobacco, an amount of tobacco equal to the normal yield of the number of acres harvested in 1940 in excess of the farm acreage allotment shall be deemed to have been marketed in excess of the marketing quota for the farm and the penalty in respect thereof shall be paid and remitted by the producer. Such penalty shall be in addition to any other penalties imposed by this Act.

Sec. 20 Payment of penalty. Penalties upon the marketing of tobacco shall become due at the time of the marketing, and shall be paid by remitting the amount thereof to the Marketing Quota Section, Agricultural Adjustment Administration, Washington, D. C., not later than the end of the calendar week following the week in which the memorandum of sale was issued, or, in the event a memorandum is not issued, not later than four weeks after the date upon which the tobacco was sold. A draft, money order, or check, payable to the order of the Treasurer of the United States may be used to pay any penalty, but any such draft, money order, or check shall be received subject to payment at par.

Sec. 21 Application for return of penalty. After marketings of tobacco have been completed for any farm and disposition of excess tobacco has been made as required in Sec. 6, producers of tobacco on the farm may file an application for return of any amount of penalty collected in excess of that amount which is equal to ten cents per pound upon the number of pounds of tobacco marketed in excess of the farm marketing quota. Such application shall be filed on Form 40-Tob-41 "Application for Return of Penalty", and entries thereon shall be made in accordance with the instructions for the preparation of such form. Return of penalty collected upon marketings of tobacco from any farm shall be made only upon the basis of tobacco produced on the farm and if the county committee has reason to believe that any of the unmarketed excess tobacco as reported for a farm by the farm operator was not actually produced thereon the application for such farm shall not be approved with respect to that tobacco which the committee has reason to believe was not produced on the farm. Any unmarketed excess tobacco which is used as a basis for filing an application shall be tobacco which the committee determines is reasonably representative of the tobacco available for marketing from the farm in the 1940-41 marketing year and shall not contain an undue proportion of scrap or other low-grade tobacco.

RECORDS AND REPORTS

Sec. 22 Warehouseman's Records and Reports.

- a. Record of marketings. Each warehouseman shall keep such records as will enable him to furnish the Secretary of Agriculture a report of the following information with respect to each sale or resale of

tobacco made at his warehouse; the name of the seller (and, in the case of a sale for a producer the name of the operator of the farm on which the tobacco was produced), the name of the purchaser, the date of sale, the number of pounds sold, the sale price, the amount of any penalty and the amount of any deduction on account of penalty from the price paid the producer (or a dealer). All purchases and resales for the warehouse leaf account shall be so identified in the record and a separate account shall be maintained with respect to the amount of floor sweepings picked up and the disposition of such floor sweepings. Any warehouseman who grades tobacco for farmers shall maintain a separate account showing the approximate amount of grading house scrap obtained from the tobacco graded from each farm. In the case of resales for dealers the name of the dealer making each resale shall be shown on the warehouse records so that the individual lots of tobacco sold by the dealer can be identified.

- b. Memorandum of Sale record and bill of sale record. A record in the form of a valid memorandum of sale (or a memorandum of suspended sale showing the amount of penalty) shall be obtained by every warehouseman to cover each marketing of tobacco from a farm through the warehouse, and if a warehouseman buys tobacco directly from a farmer (other than at a warehouse sale as defined in these regulations) such warehouseman shall obtain a valid memorandum of sale to cover each such purchase of tobacco, together with a properly executed Bill of Nonwarehouse Sale (Form 40-Tob-43); except that at any time prior to the issuance of the marketing card for the farm the warehouseman, in lieu of obtaining a memorandum of sale, may have the "Certificate of County Office" executed on the Bill of Nonwarehouse Sale (Form 40-Tob-43) and deliver a copy thereof to the county office. If a warehouseman obtains possession of any grading house scrap in the course of grading tobacco from any farm, a memorandum of sale shall be obtained to cover the approximate amount of such scrap tobacco from each farm.
- c. Suspended Sale Record. Any warehouse bills for which memoranda of sale have not been issued at the end of the sale day shall be presented to a field assistant who shall stamp such bills as "suspended", write thereon the serial number of the memorandum of suspended sale, and record the bills on the register of suspended sales for the ware-

house (Form 40-Tob-38); provided that if a field assistant is not available, the warehouseman may stamp such bills and write thereon the said serial number and record them on the register.

- d. Warehouse entries on dealers' records. Each warehouseman shall enter on each dealer's record (Form 40-Tob-35) the total of purchases and re-sales made by such dealer during each sale day at the warehouse. If any tobacco resold by the dealer is tobacco bought by him from a crop produced prior to 1940 the entry on the Dealer's Record shall clearly show such fact.
- e. Daily report of warehouse business and report of penalties. Each warehouseman shall make reports on Form 40-Tob-36, Auction Warehouse Report, and on Form 40-Tob-37, Listing of Penalties, showing the information required on the respective reports. Form 40-Tob-36 shall be prepared for each sale day and all reports for the sale days occurring during any week shall be forwarded to the Marketing Quota Section on or before the end of the next following calendar week. Form 40-Tob-37 shall be prepared for each week and the report for each week shall be forwarded, together with the remittance of the penalty due as shown thereon to the Marketing Quota Section not later than the end of the next following calendar week.
- f. Summary report for warehouse accounts. Each warehouseman shall assist field assistants to prepare summaries of the warehouse account by making available all records kept and reports made by the warehouse as required by these regulations.
- g. Additional records and reports. In addition to the records and reports provided above each warehouseman shall keep such additional records and make such additional reports to the Secretary of Agriculture as the Chief of the Marketing Quota Section may request.

Sec. 23 Dealers records and reports. Each dealer, except as provided in Sec. 24 below, shall keep the records and make the reports as provided by this section.

- a. Report of Dealer's Name, Address and Registration Number. Each dealer shall properly execute and the field assistant shall detach and forward to the Marketing Quota Section the page "Receipt for

"Dealer's Record" contained in Form 40-Tob-35,
"Dealer's Record" which is issued to the dealer.

- b. Record and report of purchases and resales. Each dealer shall keep a record and make reports on Form 40-Tob-35, "Dealer's Record", showing all purchases and resales of tobacco made by the dealer and in the event of resale of tobacco bought from a crop produced prior to 1940 the fact that such tobacco was bought by him and carried over from a crop produced prior to 1940.
- c. Report of penalties. Each dealer shall make a report on Form 40-Tob-37 showing the information with respect to all purchases subject to penalty made by him during each calendar week. The amount of penalty shown to be due by each such report shall be remitted with the report.
- d. Memorandum of sale record and bill of sale record. Each dealer shall obtain a record in the form of a valid memorandum of sale covering each lot of tobacco purchased by him directly from the farmer except that at any time prior to the issuance of the marketing card for the farm the dealer, in lieu of obtaining a memorandum of sale, may have the county office execute the "Certificate of County Office" on the Bill of Nonwarehouse Sale (Form 40-Tob-43) and deliver a copy thereof to the county office. No memorandum of sale obtained by a dealer shall be valid unless it is supported by a properly executed Bill of Nonwarehouse Sale (Form 40-Tob-43) and unless all entries required thereon and on the marketing card are made and in addition, the following entries are made on the memorandum:
 - 1. The signature of the farm operator on the back of the memorandum.
 - 2. The name of the dealer and the Dealer's Internal Revenue Registration Number Under the heading "Warehouse and Date Issued."
 - 3. In case the tobacco is scrap, the word "scrap" beside the entry of "pounds sold".
- e. Additional records. Each dealer shall keep such records, in addition to the foregoing, as may be required to enable him to furnish the following information with respect to each lot of tobacco purchased or sold by him: The name of the seller

(and in the case of a purchase from a producer, the name of the operator of the farm on which the tobacco was produced), the name of the purchaser, the date of the transaction, the number of pounds and the gross sale price; and in the event of resale of tobacco bought by him and carried over from a crop produced prior to 1940, the fact that such tobacco was so bought and carried over.

All reports shall be forwarded to the Marketing Quota Section not later than the end of the week following the calendar week covered by the reports.

Sec. 24 Dealers exempt from regular records and reports. Any dealer who does not purchase or otherwise acquire tobacco except at a warehouse sale and who does not resell, in the form in which tobacco ordinarily is sold, more than ten percent of the tobacco purchased by him, shall not be subject to the provisions of Sec. 21 of these regulations; but each such dealer shall make such reports to the Secretary of Agriculture as the Chief of the Marketing Quota Section may request.

Sec. 25 Records and reports of redryers, etc. Every person engaged in the business of redrying, prizing, or stemming tobacco for producers shall keep such records as will enable him to furnish the Secretary of Agriculture a report of the following information with respect to each lot of tobacco received by him: The date of receipt of the tobacco, the number of pounds received, the purpose for which the tobacco was received, (and if received from a producer, the name and address of the farm operator, and the code and serial number of the farm on which the tobacco was grown), the amount of advance made by him on the tobacco, and the disposition of the tobacco.

Every person shall make such reports to the Secretary of Agriculture as the Chief of the Marketing Quota Section may request.

Sec. 26 Separate records and reports from persons engaged in more than one business. Any person who is required to keep any record or make any report as a warehouseman, dealer, processor, or as a person engaged in the business of redrying, prizing or stemming tobacco for producers, and who engaged in more than one such business, shall keep such records as will enable him to make separate reports for each such business in which he is engaged, to the same extent for each such business as if he were engaged in no other business, except that a warehouseman shall not be required to keep a record and make reports on Form 40-Tob-35, "Dealer's Record", if the transactions which would be recorded and reported on such forms are recorded on the records kept by the warehouse in its regular course of business and reported as required on Form 40-Tob-36.

Sec. 27 Failure to keep record or make report. Any warehouseman, processor, or common carrier of tobacco, or person engaged in the business of purchasing tobacco from producers, or persons engaged in the business of redrying, prizing or stemming tobacco for producers, who fails to make any report or keep any record as required under these regulations, or who makes any false report or record, shall be deemed guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than \$500; and any tobacco warehouseman or dealer who fails to remedy such violation by making a complete and accurate report or keeping a complete and accurate record as required under these regulations within fifteen days after notice to him of such violation shall be subject to an additional fine of \$100 for each ten thousand pounds of tobacco, or fraction thereof, bought or sold by him after the date of such violation; Provided, that such fine shall not exceed \$5,000; and notice of such violation shall be served upon the tobacco warehousemen or dealer by mailing the same to him by registered mail or by posting the same at any established place of business operated by him, or both. Notice of any violation by a tobacco warehouseman or dealer shall be given by the Chief of the Marketing Quota Section.

Sec. 28 Examination of records and reports. For the purpose of ascertaining the correctness of any report made or record kept, or of obtaining information required to be furnished in any report, but not so furnished, any warehouseman, dealer, processor, common carrier or person engaged in the business of redrying, prizing or stemming tobacco for producers shall make available for examination, upon written request by the Chief of the Marketing Quota Section, such books, papers, records, accounts, correspondence, contracts, documents and memoranda as he has reason to believe are relevant and are within the control of such person.

Sec. 29 Length of time records and reports to be kept. Records required to be kept and copies of the reports required to be made by any person under these regulations for the 1940-41 marketing year shall be kept by him until June 30, 1942, and for a longer period upon written request by the Chief of the Marketing Quota Section.

Sec. 30 Information confidential. All data reported to or acquired by the Secretary of Agriculture pursuant to the provisions of these regulations shall be kept confidential by all officers and employees of the Department of Agriculture, and only such data so reported or acquired as the Secretary of Agriculture deems relevant shall be disclosed by them and then only in a suit or administrative hearing under Title III of the Act.

By virtue of the authority vested in the Secretary of Agriculture by Title III of the Agricultural Adjustment Act of 1938 (Public Law No.

430, 75th Congress, approved February 16, 1938) as amended, I Claude R.
Wickard, Acting, Secretary of Agriculture, do hereby make, prescribe,
publish and give public notice of the foregoing regulations pertaining to
flue-cured tobacco marketing quotas for the 1940-41 marketing year to be
in force and effect until amended or superseded by regulations hereafter
made by the Secretary of Agriculture under said Act.

(S E A L)

Done at Washington, D. C.,
this 6th day of July, 1940.
Witness my hand and the seal of
the Department of Agriculture.

/s/ Claude R. Wickard
Acting Secretary of Agriculture

OCT
1940UNITED STATES DEPARTMENT OF AGRICULTURE
Agricultural Adjustment Administration

Marketing Quota Section

Supplement 1 to Marketing Quota Regulations - Flue-cured Tobacco - 1940-41 Marketing Year



Marketing Quota Regulations, Flue-cured Tobacco - 1940-41 Marketing Year, are hereby amended as follows:

Sec. 4 is amended by adding at the end thereof the following:

"The marketing quota for any farm having tobacco carried over from a crop produced prior to the calendar year 1940, shall be whichever of the following is applicable:

1. If the harvested acreage of tobacco in the year in which the carry-over tobacco was produced is not greater than the acreage allotment for such year and the acreage of tobacco harvested on the farm in 1940 is not greater than the acreage allotment for such year, the marketing quota shall be the actual production of tobacco on the farm acreage allotment for 1940 plus the amount of the carry-over tobacco.
2. If the acreage of tobacco harvested on the farm in the year in which the carry-over tobacco was produced is greater than the acreage allotment for such year and the acreage of tobacco harvested on the farm in 1940 is less than the acreage allotment for 1940 by as much as the number of acres obtained by dividing into the carry-over tobacco the normal yield for the farm, the farm marketing quota shall be the actual production on the farm in 1940 plus the amount of the carry-over tobacco.
3. If the acreage of tobacco harvested on the farm in the year in which the carry-over tobacco was produced is greater than the acreage allotment for such year and the acreage of tobacco harvested on the farm in 1940 does not exceed the 1940 acreage allotment but is not less than such acreage allotment by as much as the number of acres obtained by dividing into the total pounds of carry-over tobacco the normal yield for the farm, the farm marketing quota shall be the actual production of tobacco on the farm in 1940.

4. If the harvested acreage of tobacco in the year in which the carry-over tobacco was produced is greater than the acreage allotment for such year and the acreage of tobacco harvested on the farm in 1940 is greater than the acreage allotment for such year, the marketing quota shall be the actual production of tobacco on the farm acreage allotment for 1940.
5. If the harvested acreage of tobacco in the year in which the carry-over tobacco was produced is not greater than the acreage allotment for such year but the acreage of tobacco harvested on the farm in 1940 is in excess of the acreage allotment for such year the marketing quota shall be the actual production of tobacco on the farm acreage allotment for 1940, plus the amount of carry-over tobacco.

"Excess tobacco in the case of farms having tobacco carried over from the calendar year prior to 1940 shall be all tobacco available for marketing from the farm in excess of the farm marketing quota determined as provided under paragraphs 3, 4 or 5 above."

Sec. 5 is amended by adding at the end thereof the following:

"d. Issuance of marketing cards for farms having carry-over tobacco.

1. For any farm on which the marketing quota is that amount determined pursuant to paragraph 1 or 2 of Section 4 above, there shall be issued a within quota marketing card, unless the farm is operated by a person who also operates another farm on which there is tobacco available for marketing in excess of the farm marketing quota, in which event there shall be issued an excess marketing card.
2. For any farm on which the farm marketing quota is that amount determined pursuant to paragraph 3, 4, or 5 of Sec. 4 above, there shall be issued an excess marketing card.

"The percent excess for any farm for which paragraphs 3 and 4 of Sec. 4 are applicable shall be computed as follows: (a) A number of acres shall be determined by dividing into the carry-over tobacco the 1940 normal yield per acre for the farm; (b) the number of acres determined under (a) shall be added to the 1940 harvested acreage; (c) there shall be subtracted from the acreage determined under (b) the 1940 acreage allotment; and (d) the result obtained under (c) shall be divided by the acreage determined under (b).

"The percent excess for any farm for which paragraph 5 of Sec. 4 is applicable shall be computed as follows: (a) A number of acres shall be determined by dividing into the carry-over tobacco the 1940 normal yield per acre for the farm; (b) the number of acres under (a) shall be added to the 1940 harvested acreage; (c) the number of acres determined under (a) shall be added to the 1940 acreage allotment; (d) there shall be subtracted from the acreage determined under (b) the acreage determined under (c) above; (e) the result obtained under (d) shall be divided by the acreage determined under (b)."

Sec. 7 is amended by adding at the end thereof the following:

"The rights of producers in the marketing card for a farm having tobacco carried over from a crop produced prior to 1940 shall be determined in accordance with the provisions of this section, except that the burden of any penalty with respect to any such carry-over tobacco shall be borne by those persons having an interest in such tobacco."

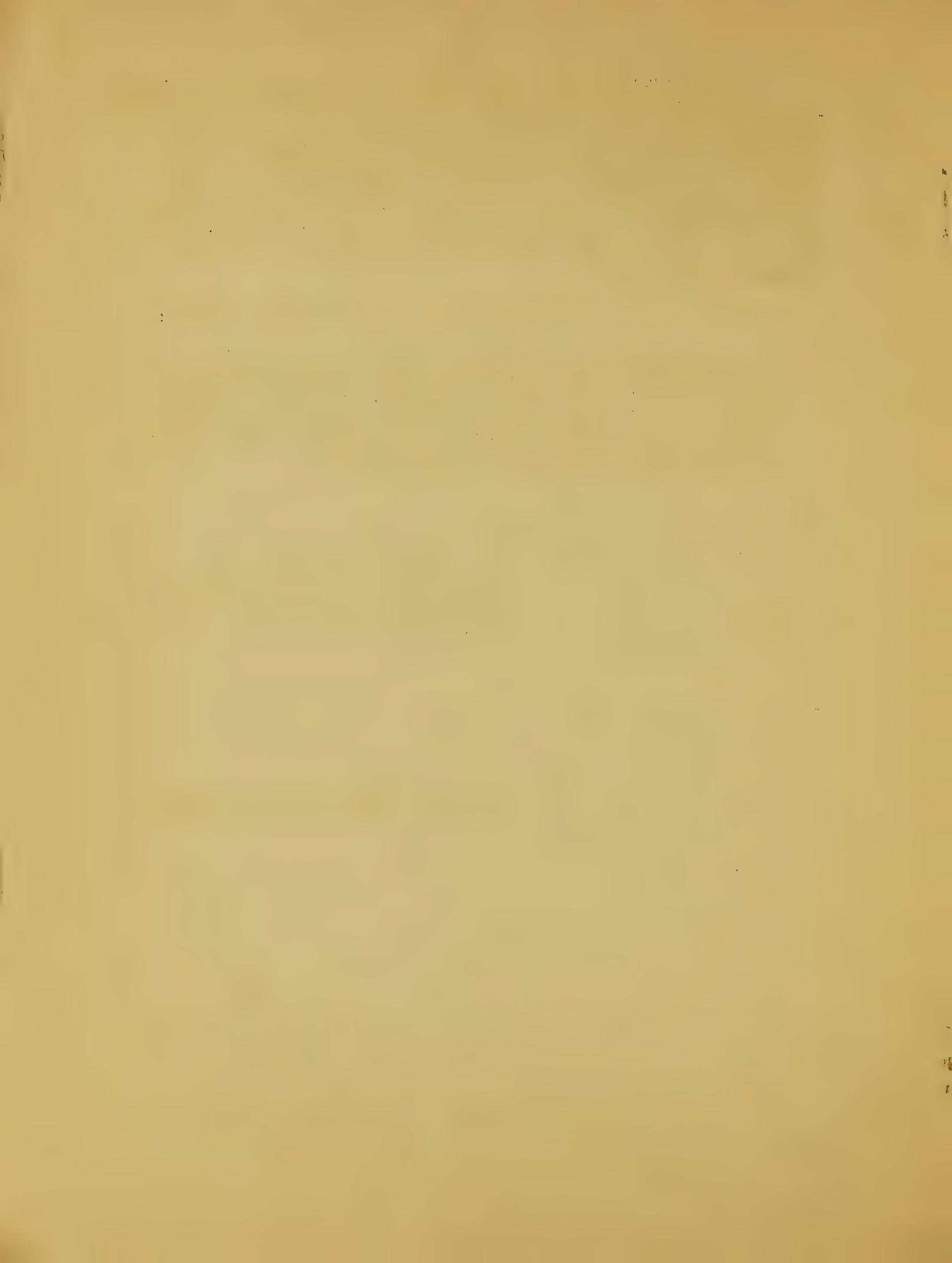
(SEAL)

Done at Washington, D. C.
this 7th day of September 1940.
Witness my hand and the seal of the
Department of Agriculture.

/s/

Paul H. Appleby

Acting Secretary of Agriculture



OCT 4
1940UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

Marketing Quota Section

Supplement 2 to Marketing Quota Regulations -
Flue-cured Tobacco - 1940-41 Marketing Year

Marketing Quota Regulations, Flue-cured Tobacco - 1940-41 Marketing Year are hereby amended by striking out Section 24 and inserting in lieu thereof the following:

"Sec. 24. Dealers exempt from regular records and reports. Any dealer who does not purchase or otherwise acquire leaf tobacco except at a warehouse sale and who does not resell, in the form in which tobacco ordinarily is sold by farmers, more than ten percent of the tobacco purchased by him, shall not be subject to the provisions of Sec. 23 of these regulations.

"Any dealer purchasing scrap tobacco directly from farms for which within quota marketing cards have been issued shall not be required to keep a dealer's record, or to prepare bills of nonwarehouse sale to validate the memoranda of sale issued with respect to such scrap tobacco, if such person delivers such scrap tobacco directly to regular receiving points, but the dealer operating the receiving point to which such scrap tobacco is delivered shall keep records and make reports with respect to such scrap tobacco on Form 40-Tob-35, "Dealer's Record."

"Every dealer and every person operating on behalf of a dealer shall keep such records and make such reports to the Secretary of Agriculture as the Chief of the Marketing Quota Section may request."

(SEAL)

Done at Washington, D. C.,
this 16th day of August 1940.
Witness my hand and the seal of
the Department of Agriculture.

/s/ H. A. Wallace,
Secretary of Agriculture.

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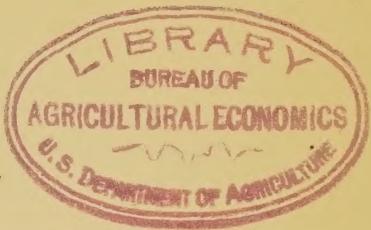
40-TOB-42 - Supplement 3

Issued October 10, 1940

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

Marketing Quota Section

Supplement 3 to Marketing Quota Regulations -
Flue-cured Tobacco - 1940-41 Marketing Year



Marketing Quota Regulations--Flue-cured Tobacco--
1940-41 Marketing Year, are hereby amended by adding
the following paragraph at the end of Section 6.

"In addition to the report on Form 40-Tob-33 provided above, the operator of each farm, or any other person having an interest in the tobacco grown on the farm (even though the harvested acreage does not exceed the acreage allotment and even though no allotment was established for the farm) shall, upon written request by the Chief of the Marketing Quota Section, and within ten days after the deposit of such request in the United States mails addressed to such person at his last known address, furnish the Secretary of Agriculture, by sending the same to the Chief of the Marketing Quota Section, a written report showing, as to the farm, at the time of filing said report, (a) the number of acres of tobacco harvested, (b) the total production of tobacco, and (c) as to each lot of tobacco marketed, the name and address of the warehouseman, dealer, or other person to or through whom such tobacco was marketed and the number of pounds marketed, the gross price, and the date of marketing."

(SEAL)

Done at Washington, D. C.,
this 10th day of October 1940.
Witness my hand and the seal of the
Department of Agriculture.

/s/ PAUL H. APPLEBY
Acting Secretary of Agriculture.

40-Tob-42, suppl. 4
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UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL ADJUSTMENT ADMINISTRATION

SUPPLEMENT 4 TO MARKETING QUOTA REGULATIONS -
FLUE-CURED TOBACCO - 1940-41 MARKETING YEAR

Marketing Quota Regulations, Flue-cured Tobacco - 1940-41 Marketing Year are hereby amended as follows:

Sec. 21 is stricken out and in lieu thereof is inserted the following:

"Sec. 21. Application for Return of Penalty. Any producer of tobacco who bore the burden of the payment of any penalty collected may file an application for return of any amount of such penalty which is in excess of that amount equal to ten cents per pound upon the number of pounds marketed in excess of the farm marketing quota. Any application for the return of any penalty shall be filed on Form 40-Tob-41, 'Application for Return of Penalty', and entries thereon shall be made in accordance with the instructions for the preparation of such form.

"An application for the return of penalty filed by any producer of tobacco on a farm on which the tobacco available for marketing is in excess of the farm marketing quota shall not be approved unless (1) the marketing of tobacco from the farm has been completed and (2) disposition of all excess tobacco has been made as required in Section 6.

"Return of penalty collected upon marketings of tobacco from any farm on which the tobacco available for marketing is in excess of farm marketing quota shall be made only upon the basis of tobacco produced on the farm and, if the county committee has reason to believe that any of the unmarketed excess tobacco as reported for the farm by the farm operator was not actually produced thereon, the application for such farm shall not be approved with respect to that tobacco which the committee has reason to believe was not produced on the farm. Any unmarketed excess tobacco which is used as a basis for filing an application shall be tobacco which the committee determines is reasonably representative of the tobacco available for marketing from the farm in the 1940-41 marketing year and shall not contain an undue proportion of scrap or other low grade tobacco.

"Any application for the return of penalty pursuant to this section shall be filed not later than sixty days before the end of the marketing year next succeeding that in which the penalty is collected."

[SEAL]

Done at Washington, D. C.
this 4th day of January, 1941.
Witness my hand and the seal of the
Department of Agriculture.

/s/ CLAUDE R. WICKARD
Secretary of Agriculture